

Rhode Island Public Transit Authority

Joint Pension Board

Minutes of the March 21, 2011 Meeting

Joint Pension Board Members Present: John Rupp, Chairperson; Stephen Farrell, Edward Field; Rochelle Lee; and Kevin Millea.

Absent: Christine Johnston

Also Present: Charles Odingbe, Chief Executive Officer; Steven Richard (Outside Counsel); Maureen Neira; Victor Santos; Ellen Mandly and Lazaro Guzman of Prudential Securities and members of the RIPTA staff and the general public.

Agenda Item 1: Approval of Minutes of February 21, 2011 Monthly Meeting

Mr. Rupp called the meeting to order and asked if the JPB members had an opportunity to review the minutes of the February 21, 2011 meeting and the members indicated that they had.

A motion to approve the minutes as presented was made by Mr. Farrell; seconded by Ms. Lee and passed unanimously.

Agenda Item 2: Convene as Pension Benefit Sub-Committee

o Consideration of Benefits' Requests – Division 618

o JPB Action: Bienvenido Quinio – Active Employee – Age 69 Request for Late Pension effective 2/1/11 - \$799.80

Mr. Santos discussed the details of the pension request by Mr. Bienvenido saying he was employed with the Authority 10 years and 11 months and during his employment he was included in the hourly pension plan. Following this Mr. Millea moved that Mr. Bienvenido's pension request be approved as presented. Ms. Lee seconded the motion. The motion passed unanimously.

o JPB Action: Iver Kelly – Active Employee – Age 56 Request for Early Pension effective 3/1/11 - \$701.17

Mr. Santos discussed the details of the pension request by Ms. Kelly saying she was employed with the Authority 16 years and 8 months, initially as a part time employee and according to the language in the contract and pension plan she is entitled to pension credit for 14 years and 9 months. During her employment she was included in the hourly pension plan. Following Mr. Santos' remarks Ms. Lee moved

that Ms. Kelly's pension request be approved as presented. Mr. Millea seconded the motion. The motion passed unanimously.

Agenda Item 3: Lazaro Guzman – Prudential Retirement

Lazaro Guzman Vice President of Investment Strategy from Prudential Retirement Services addressed the Committee and said he would be discussing the performance and asset allocation for both the hourly and salary pension plans. He began by saying that overall the plans have performed well, but today he would be discussing certain suggested changes which he feels will strengthen the plans.

Mr. Guzman then started discussing the voluminous staff summary entitled Pension Plan Performance and Asset Allocation in detail. He began by elaborating on the details of the performance of the salaried plan first and then did the same regarding the status of the hourly plan. He discussed issues such as the effects of unemployment and the economy generally on the investment vehicles, and noted the recent Tsunami in Japan in particular.

Mr. Guzman reiterated that overalls the plans are doing well but suggested the some changes. For the salaried plan he suggested that the committee add a small value fund and potentially split the assets in Small Growth/TimesSquare fund with one of the following small value funds: American Century, Kennedy or Victory.

For the hourly plan, Mr. Guzman discussed potentially changing to SA/TRowe Price Equity Income as a replacement for Large Value/SLV, which is currently on Prudential's watch list, indicating that it is underperforming . He suggested replacing Large Growth/Turner, currently on the watch list, with either Large Growth/American Century or SA/TRowe Growth Stock Strategy. Mr. Guzman discussed replacing Small Growth/Boston Company with Small Growth/TimesSquare.

Next he discussed the possible addition of a small value fund similar to those suggested for the salaried plan, and to split the current assets in small growth with a small value fund and to the possible replacement of International Value/LSV, currently on the Prudential watch list SA/Templeton Foreign. Fact sheets for each of the existing and suggested funds are contained in the attachment to the staff summary.

Attorney Richard said that no change could be voted on at the meeting because the vote was not properly noticed on the agenda.

Mr. Guzman answered questions from the committee on the specific plans suggested and the amounts allocated, on the methods used to make their recommendations and on general topics such as the effect of inflation on the funds in the plans.

Mr. Millea asked, as he has at previous meetings, why the salaried

and hourly plans cannot be merged into one plan. Mr. Guzman said this is a question best answered by RIPTA's actuary. A discussion of this issue ensued among the committee members and staff with Mr. Millea requesting that an answer be determined and supplied to the committee and Mr. Rupp suggested inviting our actuary Angell Pension Group to research this issue and report to the committee. Mr. Rupp also requested that the staff summary be done in an abbreviated format with the specific recommendations and changes set forth clearly and that same be noticed on the agenda for a vote. Mr. Guzman will coordinate the preceding requests with Ms. Neira.

The Committee thanked Mr. Guzman for his presentation.

Agenda Item 4: Adjournment

A motion to adjourn the meeting was made by Mr. Field and seconded by Mr. Farrell. Such motion passed unanimously and the meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly

Recording Secret